

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of  
Telephone Number Portability

CC Docket No. 95-116

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**RESPONSE OF THE ASSOCIATION  
FOR LOCAL TELECOMMUNICATIONS SERVICES TO PETITIONS  
FOR RECONSIDERATION AND CLARIFICATION**

Pursuant to Section 1.429 of the Commission's rules, the Association for Local Telecommunications Services ("ALTS") hereby files this response to the various petitions for reconsideration and clarification of the First Report and Order ("Number Portability Order"), FCC 96-286, released July 2, 1996, in the above proceeding.<sup>1</sup>

**I. THE COMMISSION SHOULD REJECT EFFORTS  
TO RESURRECT QUERY ON RELEASE ("QoR").**

The incumbent local exchange carriers ("ILECs") mount a concerted effort to rehabilitate the Query on Release ("QoR") portability approach which was rejected in the Number Portability Order (at ¶ 54). According to Bell Atlantic, for example (Petition at 3):

"... QoR is not a substitute for LRN. It is an enhancement to LRN, permitting the carrier using it to reduce the number of database look-ups it makes. This reduction will decrease

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<sup>1</sup> ALTS is a national trade association consisting of more than thirty facilities-based local and exchange access competitors. TCG does not join in **Part I** of this response.

the load on the carrier's switch processors, signaling network and databases, decrease the cost of implementing LRN, and decrease the complexity of that implementation.

"Second, QoR may be implemented solely within an individual carrier's network. The fact that Bell Atlantic used QoR within its own network would not require any interconnecting carrier to use QoR as well. If two carriers agree, QoR can also operate between networks. Bell Atlantic believes that some of the misunderstanding of QoR was based upon the perception that some of its supporters advocated that carriers be required to use QoR even when they did not wish to do so. This is not the issue before the Commission now." (Emphasis supplied.)

Despite Bell Atlantic's soothing discussion of a "kinder, gentler" QoR, one which merely "enhances" LRN and is entirely "discretionary," it is apparent the ILECs' current QoR proposal suffers the same lethal defects discerned by the Commission in their earlier proposal.

**A. The ILECs Have the Power to Turn a "Discretionary" QoR Regime into a Mandatory Displacement of LRN.**

Bell Atlantic is quite right that "some of QoR's more ardent supporters may have argued for allowing one carrier to force QoR on other carriers ..." (Petition at 8). Unfortunately, the new so-called "voluntary" version of QoR being proposed by Bell Atlantic and other ILECs ("voluntary" in the sense that carriers would only use it internally, or else with other carriers only after "agreement")<sup>2</sup> could still be foisted upon interconnectors. The Commission is quite aware that interconnectors face business pressure to get their competitive networks up and running as

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<sup>2</sup> See Pacific Bell's Petition at 2: "The Commission should allow QoR to be use within a carrier's network or between consenting networks" (emphasis supplied).

quickly as possible. The ILECs need only promise greater cooperation in completing interconnection arrangements to obtain "voluntary" agreement from interconnectors "accepting" the QoR approach.

As soon as the ILECs had accumulated enough such "voluntary" agreements, they would then drop the second shoe at the Commission by filing yet another petition seeking "postponement" of LRN, or perhaps even its cancellation, based on an ostensible "consensus" acceptance of the QoR approach.

The Commission should refuse to hand the ILECs such an ability to strangle LRN in its cradle. The vast bargaining power enjoyed by the ILECs and acknowledged throughout the Commission's Interconnection Order makes it entirely unlikely that any "agreements" to use QoR between ILEC and competitive local exchange carrier ("CLEC") network actually reflect independent business judgment concerning the merits of QoR.

**B. "Voluntary" QoR Inevitably Stigmatizes Competitive Service.**

The ILEC advocates of so-called "voluntary" QoR go through impressive gyrations to demonstrate it would have no negative effect on competition. They emphasize that the additional dialing delaying would come on calls from ILEC customers to CLEC customers, and they insist there would be only an undetectable half-second delay.<sup>3</sup>

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<sup>3</sup> US WEST asserts only that the Commission should conduct a  
(continued...)

These claims are totally unavailing. First, obviously, the targets of CLECs are the ILECs' existing customers -- the very customers who will notice that it takes longer to get to CLEC numbers than to ILEC customers. The notion that ILEC end users will be able to say to themselves: "Gosh, this isn't really the CLEC's fault because my ILEC has chosen to perform an SS7 inter-office NXX inquiry prior to a full LRN data base dip," is completely surreal.

Similarly, the claim that a half-second delay is not a burden blinks away the reality of modern mass marketing. First, the claim that "only" a half-second delay is involved is unsupported because the actual delay will depend on the number of offices involved in completing the QoR inquiry. Second, and more fundamentally, engineers can prove that the "sound of a pin" dropping over digital circuits has nothing to do with the quality of a toll circuit, but it was the basis one of the most successful telephone marketing campaigns in history. It is advertizing muscle, not engineering theory, that create mass market perceptions. Permitting "voluntary" QoR would hand the ILECs a golden opportunity to stigmatize the quality of competitive service.

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<sup>3</sup>(...continued)  
study as to whether the post-dial delay is burdensome to consumers (Petition at 13).

**C. The Cost Trade-Off Involved in "Voluntary" QoR  
-- to the Extent the ILECs Are Willing to  
Disclose It -- Does Not Justify Its Adoption.**

At the bottom line, the ILECs advocating a "voluntary" QoR system also fail to justify it from a financial perspective. In light of Pacific Bell's refusal to share its analysis with the public,<sup>4</sup> it is not possible for ALTS to offer a detailed response. However, the ILEC's own statements indicate that number portability will cost about "20¢ or less" per line (SWB in the Wall Street Journal),<sup>5</sup> and that the "cost saving involved with QoR compared to LRN appears to be in the 10%-15% range only" (US WEST Petition at 13, n.18).<sup>6</sup>

Thus, taking the ILECs at their word, approval of their "voluntary" QoR plan would save perhaps 2¢-3¢ per line. So small a savings -- assuming strictly for present purposes it is correct -- does not begin to justify the anti-competitive risks posed by the ILEC proposal. The Commission should decline to reconsider its rejection of QoR.

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<sup>4</sup> ALTS regrets Pacific's decision not to share its study, thereby making it impossible to analyze the effects of number resource management on its estimate of QoR savings, or the extent to which internal resource deployment is actually deferred by QoR, and thus forces ALTS to rely on the ILECs' public statements rather than their proffered expert analyses.

<sup>5</sup> Wall Street Journal, September 13, 1996, p. B6.

<sup>6</sup> Even this savings estimate could be overstated depending on the speed at which local competition is implemented, and the future management of number resources.

## II. THE COMMISSION SHOULD GRANT MCI AND ACSI'S PETITIONS.

MCI requests in its petition that the Commission "determine that additional switching and transport costs caused by [interim local number portability] measures should be recovered through a competitively-neutral surcharge mechanism based on each carrier's share of total telephone numbers of access lines in the portability area" (MCI Petition at 1). ALTS endorses MCI's petition, with the understanding that granting the petition in no way prejudices the issues under consideration in the Commission's proceeding concerning the recovery of long-term number portability costs.

ACSI requests in its petition that the Commission clarify that its cost recovery rules have retroactive effect, and that the implementation schedule should not permit ILECs to defer implementation until the date shown on the schedule where the practical ability to provide portability exists prior to that date (ACSI Petition at 2-3). ALTS endorses both aspects of ACSI's petition.<sup>7</sup>

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<sup>7</sup> Several ILECs challenge technical aspects of the implementation schedule (see, e.g., Pacific at 12; SWB at 10; USTA at 14; NYNEX at 7). Rather than address these claims in petitions for reconsideration, these parties should attempt to settle them with the involved carriers and vendors, and then bring any remaining issues back to the Commission after a record has been developed.

U S WEST raises the separate claim that as a constitutional matter cost recovery issues must be solved prior to implementation (Petition at 15-16). This ignores prior history (US WEST was subject to an equal access requirement long before the Equal Access and Network Reconfiguration access element was ever approved). It is also premature as a constitutional claim, since U S WEST cannot show it will necessarily fail to recover a constitutionally mandated amount.

**II. ILEC REQUESTS TO RECONSIDER COST RECOVERY SHOULD BE DENIED.**

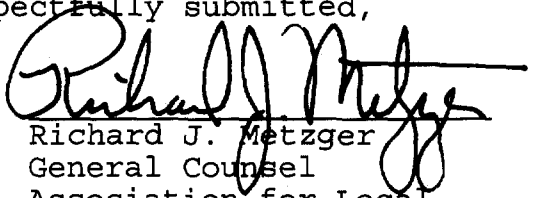
Numerous ILECs criticize the Commission's interim cost recovery rules. Bell Atlantic, for example, asserts that: "The 1996 Act gives the Commission no authority over the pricing of interim portability arrangements and does not deprive the States of their jurisdiction over these intrastate services (Petition at 14). But none of the petitions raise any arguments that were not fully addressed in the Number Portability Order. Consequently, the petitions fail to show any basis for reconsideration now.

**CONCLUSION**

For the reasons set forth above, ALTS requests that the Commission grant MCI and ACSI's petitions, and reject the other petitions.

Respectfully submitted,

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September 27, 1996

**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing Further Reply of the Association for Local Telecommunications Services was served September 27, 1996, on the following persons by first-class mail or hand service, as indicated.

  
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